

## Measures for a sustainable rail market in view of the coronavirus pandemic

Rail plays a major role in the EU economy and labour market: as of the end of 2016, railways employed roughly one million people. Moreover, by contributing to more sustainable and environmentally friendly transport, rail is critical to achieving the objectives of the Green Deal. The coronavirus outbreak had an adverse impact on domestic and international passenger and freight rail, and could also have negative financial consequences on all rail stakeholders and for the EU rail market structure. During the September plenary session, Parliament is expected to vote under the urgent procedure on a legislative proposal to mitigate the consequences of the Covid-19 crisis on rail through temporary relief measures.

### Background

The Covid-19 outbreak in March 2020 had a serious impact on EU transport and on railways in particular. Transport restrictions and the collapse in demand caused a massive contraction of the passenger and freight rail markets for both international and domestic services. The pandemic could lead to further problems across the rail supply chain (rail operators, shippers, infrastructure managers) such as liquidity issues, insolvencies and bankruptcies, in particular of new rail entrants.

### European Commission proposal

To allow national authorities and stakeholders to respond to the urgent needs of the rail sector, the Commission put forward a new [proposal](#) on 19 June 2020. It would cover the period from 1 March until 31 December 2020 (and extended by the Commission, if necessary) for the use of rail infrastructure for domestic and international services, covered by Directive [2012/34/EU](#), adding targeted derogations to the latter. Member States could allow infrastructure managers to lower, waive or defer track access charges paid by operators, and could adjust downwards the level of mark-ups in the different rail market segments. In addition, in case of train path cancellations by operators due to the pandemic, Member States could authorise infrastructure managers not to levy the usual reservation charges. Lastly, the proposal would allow Member States to refund infrastructure managers within a shorter period for all financial losses brought about by the new relief measures.

### European Parliament position

On 2 September 2020, the European Parliament's Committee on Transport and Tourism (TRAN) held an [exchange of views](#) with the European Commission on the proposal. Members welcomed it and highlighted the importance of rail for the sustainability of transport. Referring to mark-ups, TRAN Members demanded the provision of financial aid to all rail undertakings, in accordance with competition rules. Given the urgency of the proposed temporary measures, the TRAN committee decided to refer the proposal without a report to be voted directly by plenary (urgent procedure under [Rule 163](#) of the Rules of Procedure of the European Parliament). On 26 August 2020, the Council published its draft Presidency compromise on the proposal. At a previous meeting, on 7 July 2020, the Council had expressed its willingness to limit its amendments to the text. Parliament is expected to vote on the proposal during the September plenary session.

First reading without committee report (Rule 163): [2020/0127\(COD\)](#); Committee responsible: TRAN. For further information, see our briefing '[Road and rail transport and coronavirus: Mapping the way out of the crisis](#)'.

EPRS | European Parliamentary Research Service

Author: Damiano Scordamaglia, Members' Research Service  
PE 652.056 – September 2020

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2020.

[epprs@ep.europa.eu](mailto:epprs@ep.europa.eu) (contact) <http://www.eprs.ep.parl.union.eu> (intranet) <http://www.europarl.europa.eu/thinktank> (internet) <http://epthinktank.eu> (blog)

